

# **State of Alaska FY2010 Governor's Operating Budget**

## **Department of Transportation/Public Facilities Northern Region Highways and Aviation Component Budget Summary**

## Component: Northern Region Highways and Aviation

### Contribution to Department's Mission

Provide an efficient transportation system for the safe movement of people and goods and the delivery of state services.

### Core Services

- Control winter snow and ice: snow plowing, snow removal, sanding, de-icing, avalanche and drifting control, ice paving, snow fencing, and culvert thawing. Provide an active avalanche prevention and response program. Provide regional winter road and weather reporting on the Internet via the Alaskan "511/CARS" (road condition reporting) system, and through faxes to state troopers, trucking firms, and others.
- Perform summer road and airport maintenance including: grading, pothole patching, crack sealing, leveling of pavement heaves and dips, brush clearing, street sweeping, dust control, drainage cleaning and repair, erosion control, bike path maintenance, fence and guardrail repair, bridge painting and repair, and sign maintenance.
- Maintain road and airport lighting systems: maintenance of traffic signals, intersection and road illumination, runway and taxiway lights, beacons, and wind cones.
- Provide emergency response to both man-made and natural disasters in order to keep our transportation infrastructure intact.
- Control roadside litter and perform trash removal at rest areas, turnouts and campgrounds.
- Control encroachments on driveways, access roads, signs, utilities, and other state rights-of-way.
- Safely maintain and operate 104 state-owned certificated and non-certificated airports in compliance with state and federal regulations. This includes maintaining security at state airports through access controls, criminal history checks and badging of those with access to restricted areas, security fencing, communications and law enforcement. Provide Airport Rescue and Firefighting services at six certificated airports.
- Operate the Adopt-a-Highway system.

### FY2010 Resources Allocated to Achieve Results

|  |                   |            |
|--|-------------------|------------|
| <b>FY2010 Component Budget: \$60,159,700</b> | <b>Personnel:</b> |            |
|  | Full time         | 256        |
|  | Part time         | 73         |
|  | <b>Total</b>      | <b>329</b> |

### Key Component Challenges

The primary challenge continues to be protecting Alaska's significant investment in its transportation infrastructure. There is a constant upward pressure on the maintenance budget as the existing transportation infrastructure ages and the public pressure for enhancements to the system increases. Much of Alaska's highway system is growing old, resulting in larger, more complex maintenance projects. Lack of adequate funding over much of the previous decade, combined with the increasing growth of subsidence under our pavement structures, has limited the extent of Maintenance and Operations (M&O's) preventative maintenance program resulting in continuing, probably accelerating, deterioration of the existing highway system. Increased traffic volumes and truck weights are causing increased pavement damage and driving up the unit costs of our maintenance work. New environmental regulations and restrictions require costlier practices and significantly constrained timelines for annual repairs.

Other challenges include accommodating increases in the cost of labor and materials. Certain materials such as culverts, signs, and guardrail have increased significantly due to national steel shortages. Additional budget pressure arises from increased electricity and fuel costs as well as the addition of new fees that must be paid to

other state and federal agencies. Although the Highways and Aviation (H&A) budget has increased recently, it has not kept up with these increasing demands and is currently inadequate to sustain an acceptable level of basic, ongoing, annual maintenance of our roads and airports.

M&O is constantly challenged to improve services, save money, and meet ever-increasing customer expectations. Increased costs have been offset to some degree through increased productivity and other efficiencies. M&O has taken advantage of improving technologies to better manage the transportation system in a cost effective and efficient manner. Northern Region Highways and Aviation has made maximum use of federal highway and federal aviation major maintenance funding to achieve valuable repairs and improvements to road and airport surfaces. Unfortunately these federal funds come with limitations and cannot be used to address all categories of our deferred maintenance needs. Federal funding scope limitations and general fund budget shortfalls have resulted in decreased brush cutting, dust control, pavement striping, gravel surface grading, snow removal, and other road maintenance activities, particularly in outlying areas.

Warming climate trends are having major impacts on the transportation infrastructure across the Northern Region. Permafrost is found beneath most of the Northern Region and supports much of the state's transportation system. Thawing of ice-rich discontinuous permafrost has already damaged roads, airports, and buildings and has resulted in increased maintenance costs in order to intercept, reverse or repair the damages caused by melting permafrost. Thawing and melting are likely to continue to bring widespread changes in ecosystems, increased erosion, and damage to buildings, roads, airports and other infrastructure, increasing the financial burden faced by Northern Region Highways and Aviation.

Another significant challenge faced by Highways and Aviation is replacing its aging workforce as large numbers of employees are reaching, or are about to reach, retirement age. Private sector competition and national shortages of qualified and skilled heavy equipment operators are presenting us with major employee retention and replacement issues for the near future.

### **Significant Changes in Results to be Delivered in FY2010**

Meeting the need to cover increased fuel, utilities, chemicals, commodities, and rural airport maintenance contract prices will better ensure that the existing level of service is maintained.

Northern Region needs to deal with a variety of federal and state environmental compliance issues. Those include the development and implementation of wetlands permits, Stormwater Pollution Prevention and Spill Prevention plans, demolition and removal of abandoned buildings, replacement of aboveground fuel tanks, spill remediation, and the cleanup of abandoned fuel tanks, crashed aircraft and heavy-duty equipment on state land.

### **Major Component Accomplishments in 2008**

Applied chip seal, hot mix, or high float asphalt to 195 lane miles of paved roads and highways. Administered a construction project which milled up and then replaced the runway and taxiway pavement of the Tok Airport.

Applied surface crack seal treatment to approximately 540,000 linear feet (90+ miles) of paved highways and the runways of the Clear and Healy airports.

Developed and executed a project to have D-1 crushed aggregate surfacing produced, hauled and placed on nine miles of roadway at Eagle.

On the Dalton Highway, placed 58,600 cubic yards of pit run gravel to repair zones of differential settlement, provide road widening, and accomplish grade raises. 91,000 cubic yards of D-1 surfacing were placed atop 105 miles of the Dalton, for resurfacing and better, safer performance. At the Coldfoot Airport resurfaced the runway with 5,500 cubic yards of D-1 surfacing. 460 lane miles of the Dalton had calcium chloride applied as both a dust suppressant and road surface protection.

Applied dust palliative products to the runways, taxiways, and aprons of five rural airports at Ambler, Brevig Mission, Emmonak, Kiana, and Stebbins.

Cut approximately 2,265 lane miles of brush and trees along our highway, side road and bike path rights-of-way. Highways and Aviation staff used the services of Southeast Alaska Guidance Association (SAGA) to hand clear over 20 acres of roadside brush along interior and south central area roadways.

Completed 39 culvert replacements throughout the Northern Region. Installed, replaced or raised existing guardrail by 8,100 linear feet as a safety enhancement for the traveling public throughout the Northern Region.

Performed repairs on 18 bridges throughout the Northern Region and cleaned and/or inspected another 12 bridges at the request of Bridge Design. Work consisted of bridge deck and structural repairs including sliding expansion joints, bridge rail supports, erosion repair to bridge abutments, spalling concrete, cracks, exposed reinforcing steel on concrete bridge decks and replacement of timbers on wooden decked bridges.

Re-striped 5,428 lane miles of highways within Northern Region. Completed 62 miles of delineator repair or replacement along the Dalton Highway.

Responded to the August 2008 flood event that impacted and damaged the Richardson Highway near Salcha, as well as the shop, equipment, and materials stored at the Nenana Maintenance Station.

Responded to, and cleaned up 14 avalanches in the Thompson Pass area on the Richardson Highway, as well as 15 avalanches in the Atigun Pass area on the Dalton Highway.

Executed 13 aggregate crushing contracts, which produced over 112,000 cubic yards of aggregate material stockpiles for current and future roadway surfacing repairs by federal and state projects, as well as the crushing and production of 291,000 cubic yards of road surfacing materials for the Dalton Highway. Established riprap contracts to provide for 6,000 cubic yards of riprap stockpiles on the Steese Highway, and on the Copper River Highway for future emergency uses. 700 cubic yards was needed and placed in September 2008 alone.

### **Statutory and Regulatory Authority**

AS 02 – Aeronautics  
AS 30 – Harbors and Shipping  
AS 38 – Motor Vehicles  
AS 44 – State Government  
AAC 13 – Public Safety  
AAC 14 – Public Works  
AAC 17 – DOT&PF  
CFR 14 – Aeronautics  
CFR 49 - Airport Security  
CRF 23 - Highways

| <b>Contact Information</b>   |
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**Northern Region Highways and Aviation  
Component Financial Summary**

*All dollars shown in thousands*

|  | FY2008 Actuals  | FY2009<br>Management Plan | FY2010 Governor |
|--|-----------------|---------------------------|-----------------|
| <b>Non-Formula Program:</b>                |                 |                           |                 |
| <b>Component Expenditures:</b>             |                 |                           |                 |
| 71000 Personal Services                    | 28,289.0        | 30,532.0                  | 30,624.6        |
| 72000 Travel                               | 637.1           | 593.5                     | 593.5           |
| 73000 Services                             | 20,909.0        | 19,343.6                  | 18,893.6        |
| 74000 Commodities                          | 9,486.3         | 11,046.4                  | 9,976.4         |
| 75000 Capital Outlay                       | 702.0           | 71.6                      | 71.6            |
| 77000 Grants, Benefits                     | 0.0             | 0.0                       | 0.0             |
| 78000 Miscellaneous                        | 0.0             | 0.0                       | 0.0             |
| <b>Expenditure Totals</b>                  | <b>60,023.4</b> | <b>61,587.1</b>           | <b>60,159.7</b> |
| <b>Funding Sources:</b>                    |                 |                           |                 |
| 1002 Federal Receipts                      | 243.7           | 340.1                     | 340.1           |
| 1004 General Fund Receipts                 | 54,298.8        | 54,061.0                  | 52,626.5        |
| 1005 General Fund/Program Receipts         | 18.1            | 33.0                      | 33.0            |
| 1007 Inter-Agency Receipts                 | 38.8            | 139.1                     | 139.3           |
| 1061 Capital Improvement Project Receipts  | 4,447.9         | 5,779.4                   | 5,786.3         |
| 1108 Statutory Designated Program Receipts | 9.8             | 234.8                     | 234.8           |
| 1156 Receipt Supported Services            | 966.3           | 999.7                     | 999.7           |
| <b>Funding Totals</b>                      | <b>60,023.4</b> | <b>61,587.1</b>           | <b>60,159.7</b> |

**Estimated Revenue Collections**

| Description                           | Master Revenue Account | FY2008 Actuals | FY2009<br>Management Plan | FY2010 Governor |
|---------------------------------------|------------------------|----------------|---------------------------|-----------------|
| <b>Unrestricted Revenues</b>          |                        |                |                           |                 |
| Unrestricted Fund                     | 68515                  | 12.4           | 0.0                       | 0.0             |
| <b>Unrestricted Total</b>             |                        | <b>12.4</b>    | <b>0.0</b>                | <b>0.0</b>      |
| <b>Restricted Revenues</b>            |                        |                |                           |                 |
| Federal Receipts                      | 51010                  | 243.7          | 340.1                     | 340.1           |
| Interagency Receipts                  | 51015                  | 38.8           | 139.1                     | 139.3           |
| General Fund Program Receipts         | 51060                  | 18.1           | 33.0                      | 33.0            |
| Statutory Designated Program Receipts | 51063                  | 9.8            | 234.8                     | 234.8           |
| Receipt Supported Services            | 51073                  | 966.3          | 999.7                     | 999.7           |
| Capital Improvement Project Receipts  | 51200                  | 4,447.9        | 5,779.4                   | 5,786.3         |
| <b>Restricted Total</b>               |                        | <b>5,724.6</b> | <b>7,526.1</b>            | <b>7,533.2</b>  |
| <b>Total Estimated Revenues</b>       |                        | <b>5,737.0</b> | <b>7,526.1</b>            | <b>7,533.2</b>  |

**Summary of Component Budget Changes  
From FY2009 Management Plan to FY2010 Governor**

*All dollars shown in thousands*

|   | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| <b>FY2009 Management Plan</b>   | <b>54,094.0</b>      | <b>340.1</b>         | <b>7,153.0</b>     | <b>61,587.1</b>    |
| <b>Adjustments which will continue current level of service:</b>  |                      |                      |                    |                    |
| -Delete One-time FY2009 Fuel/Utility Cost Increase Funding Distribution from the Office of the Governor | -1,370.0             | 0.0                  | 0.0                | -1,370.0           |
| -Delete Purple Heart Trail Ch 23 SLA 08 SB 216 (FN: Ch 27, SLA 08 HB 310) Lapses 6/30/2009              | -150.0               | 0.0                  | 0.0                | -150.0             |
| -FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements               | 79.6                 | 1.2                  | 11.8               | 92.6               |
| -Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements | 5.9                  | -1.2                 | -4.7               | 0.0                |
| <b>FY2010 Governor</b>  | <b>52,659.5</b>      | <b>340.1</b>         | <b>7,160.1</b>     | <b>60,159.7</b>    |

**Northern Region Highways and Aviation  
Personal Services Information**

| Authorized Positions |                              |                    | Personal Services Costs          |                    |
|----------------------|------------------------------|--------------------|----------------------------------|--------------------|
|                      | FY2009<br>Management<br>Plan | FY2010<br>Governor |                                  |                    |
| Full-time            | 255                          | 256                | Annual Salaries                  | 18,696,249         |
| Part-time            | 74                           | 73                 | COLA                             | 95,326             |
| Nonpermanent         | 14                           | 14                 | Premium Pay                      | 2,311,842          |
|                      |                              |                    | Annual Benefits                  | 10,950,775         |
|                      |                              |                    | <i>Less 4.46% Vacancy Factor</i> | <i>(1,429,575)</i> |
|                      |                              |                    | Lump Sum Premium Pay             | 0                  |
| <b>Totals</b>        | <b>343</b>                   | <b>343</b>         | <b>Total Personal Services</b>   | <b>30,624,617</b>  |

**Position Classification Summary**

| Job Class Title                | Anchorage | Fairbanks | Juneau   | Others     | Total      |
|--------------------------------|-----------|-----------|----------|------------|------------|
| Accounting Tech I              | 0         | 1         | 0        | 0          | 1          |
| Accounting Tech III            | 0         | 1         | 0        | 0          | 1          |
| Admin Asst III                 | 0         | 3         | 0        | 2          | 5          |
| Administrative Assistant II    | 0         | 1         | 0        | 1          | 2          |
| Administrative Clerk III       | 0         | 4         | 0        | 5          | 9          |
| Administrative Officer II      | 0         | 1         | 0        | 0          | 1          |
| Division Director              | 0         | 1         | 0        | 0          | 1          |
| Eng Tech Sub Journey II        | 0         | 1         | 0        | 0          | 1          |
| Eng Tech Sub Journey III       | 0         | 0         | 0        | 1          | 1          |
| Engineer/Architect III         | 0         | 1         | 0        | 0          | 1          |
| Engineering Assistant II       | 0         | 1         | 0        | 0          | 1          |
| Engineering Assistant III      | 0         | 1         | 0        | 0          | 1          |
| Engineering Associate          | 0         | 1         | 0        | 0          | 1          |
| Environ Impact Analyst II      | 0         | 1         | 0        | 0          | 1          |
| Environ Program Spec III       | 0         | 1         | 0        | 0          | 1          |
| Equip Operator Journey I       | 0         | 18        | 0        | 15         | 33         |
| Equip Operator Journey II      | 0         | 28        | 0        | 134        | 162        |
| Equip Operator Jrny III/Lead   | 0         | 2         | 0        | 48         | 50         |
| Equip Operator Sub Journey I   | 0         | 7         | 0        | 15         | 22         |
| Equip Operator Sub Journey II  | 0         | 0         | 0        | 8          | 8          |
| Equipment Operator Foreman I   | 0         | 5         | 0        | 10         | 15         |
| Equipment Operator Foreman II  | 0         | 1         | 0        | 0          | 1          |
| Maint & Operations Manager     | 0         | 1         | 0        | 0          | 1          |
| Maint & Operations Super       | 0         | 3         | 0        | 5          | 8          |
| Maint Gen Sub - Journey II     | 0         | 0         | 0        | 1          | 1          |
| Maint Spec Etrician Journey II | 0         | 2         | 0        | 1          | 3          |
| Maint Spec Tces Jrny II        | 0         | 3         | 0        | 0          | 3          |
| Mech Auto Adv Journey          | 0         | 0         | 0        | 1          | 1          |
| Regnl Saf&Arpt Sec Off         | 0         | 1         | 0        | 0          | 1          |
| Rural Airport Foreman          | 0         | 0         | 0        | 5          | 5          |
| Safety Officer                 | 0         | 1         | 0        | 0          | 1          |
| <b>Totals</b>                  | <b>0</b>  | <b>91</b> | <b>0</b> | <b>252</b> | <b>343</b> |